



PROPOSED RULE MAKING

CR-102 (June 2004)

(Implements RCW 34.05.320)

Do NOT use for expedited rule making

Agency: Employment Security Department

- ☒ **Preproposal Statement of Inquiry was filed as WSR 07-11-164 ; or**
☐ **Expedited Rule Making--Proposed notice was filed as WSR _____ ; or**
☐ **Proposal is exempt under RCW 34.05.310(4).**

- ☒ **Original Notice**
☐ **Supplemental Notice to WSR _____**
☐ **Continuance of WSR _____**

Title of rule and other identifying information: (Describe Subject) Adopting new rules, and amending existing rules, within Chapter 192-300 WAC, relating to professional employer organizations (PEOs). Topics include definition of terms; requirements for PEOs, including those related to registration and notification to the department, payment of taxes, providing documentation of authority to act on behalf of client employer(s), and maintenance of and access to records; tax rates for PEOs and their client employers; enforcement, penalties, and collection of taxes owed by a client employer; and prohibiting joint accounts by a PEO, a third-party payer, or a common paymaster.

Hearing location(s):

Employment Security Department
Maple Leaf Conference Room, 2nd Floor
212 Maple Park
Olympia, Washington

Submit written comments to:

Name: Pamela Ames, ESD Rules Coordinator

Address: Employment Security Department

PO Box 9046, Olympia WA 98506

e-mail pames@esd.wa.gov

fax (360) 902-9799 by (date) November 7, 2007

Date: November 8, 2007 Time: 8:30 a.m.

Assistance for persons with disabilities: Contact

Beverly Peterson by November 7, 2007

TTY (360) 902-9569 or (360) 902-9234

Date of intended adoption: November 20, 2007

(Note: This is NOT the effective date)

Purpose of the proposal and its anticipated effects, including any changes in existing rules: The proposed rules will implement sections 9 through 17 of ESSB 5373 (C 146, L 07). The legislation requires PEOs to register with the department for unemployment insurance purposes, ensure their client employers are registered, file tax reports and payments on behalf of their client employers, maintain records that are available to the department for inspection, and sets penalties for PEOs that do not comply with the registration requirements. The proposed rules provide notice to the public as to how the department interprets and plans to implement the legislative changes.

Reasons supporting proposal: The department does not currently have any rules regulating PEOs and their client employers. The proposed rules are necessary to clarify terms and outline how the department will implement the legislation.

Statutory authority for adoption: RCW 50.12.010 and RCW 50.12.040.

Statute being implemented: Chapter 146, Laws of 2007, sections 9 through 17

Is rule necessary because of a:

Federal Law?

Federal Court Decision?

State Court Decision?

If yes, CITATION:

☐ Yes ☒ No

☐ Yes ☒ No

☐ Yes ☒ No

CODE REVISER USE ONLY

DATE

10-2-07

NAME (type or print)

Paul Trause

SIGNATURE

TITLE

Deputy Commissioner

10:29
07-20-123

(COMPLETE REVERSE SIDE)

Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters:

None.

Name of proponent: (person or organization) Employment Security Department

- ☐ Private
☐ Public
☒ Governmental

Name of agency personnel responsible for:

Name	Office Location	Phone
Drafting..... Art Wang	212 Maple Park, Olympia	(360) 902-9587
Implementation....Nan Thomas	212 Maple Park, Olympia	(360) 902-9303
Enforcement..... Nan Thomas	212 Maple Park, Olympia	(360) 902-9303

Has a small business economic impact statement been prepared under chapter 19.85 RCW?

☐ Yes. Attach copy of small business economic impact statement.

A copy of the statement may be obtained by contacting:

Name:

Address:

phone () _____

fax () _____

e-mail _____

☒ No. Explain why no statement was prepared.

The proposed rules will not impose more than minor costs on businesses, nor will there be a disproportionate impact on small business. Further, business costs associated with these rules are the result of the underlying legislation.

Is a cost-benefit analysis required under RCW 34.05.328?

☒ Yes A preliminary cost-benefit analysis may be obtained by contacting:

Name: Juanita Myers, UI Rules Coordinator

Address: Employment Security Department

PO Box 9046

Olympia WA 98506

phone (360) 902-9665

fax (360)902-9799

e-mail jmyers@esd.wa.gov

☐ No: Please explain: